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MONTANA STATE FUND
GUARDIAN
A bimonthly newsletter for and by State Fund employees
June/July 1994

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CUSTOMER SERVICE WEEK!!

Customer Service Week hit the State Fund with a "BANG!!" the week of June 6th. The goal of the Customer Service Week committee was threefold: To emphasize and encourage the use of the customer service training, focusing on external customers; to introduce the concept of "internal" customer service; and to stimulate good morale and encourage better relations and understanding between the departments.

The trainer, Ms. Connie Clarke from Miles City, received high marks from her students.

"I was familiar with some of the information, but she was full of energy and made it move very fast. It was a quick three hours," one claims examiner said. "The sessions not only sensitized us to our image "outside" the State Fund, but "inside" as well. Many of us had not thought of other department's staff as "a customer." All in all, the training was very well received.

The trivia contest began on Monday, coordinated by Marlene Catulli and Hank Worsech. Many State Fund employees wondered what this contest was all about. I heard someone ask if it was mandatory. Well, it wasn't, but the turnout was very good almost immediately. There was certainly a lot of talk about the questions and answers throughout each day! The competition was escalating as "coffee breakers" were careful not to discuss the questions in front of anyone who hadn't had their turn at the day's trivia list.

"This is great...Of course I love games," said Sharon Williams, Medical Profiler in Claims. "The questions were so hard, though..." Melodie Phalp remarked! "But it's fun. People on the teams were a little quiet at first, but now we're all laughing over our guesses. I've gotten to know a lot more people on the other floors. I've worked for the State Fund for six years and nothing like this has ever been done."

Other popular highlights included a "free casual day" on Wednesday, compliments of our president. And, since the training sessions were running twice a day, the legal meeting was cancelled for the legal and claims departments. Many, many examiners were extremely disappointed about this!! Hopefully Legal will do a double session next time?

Wednesday brought a "mega" pigout with people in line by 8:01 a.m.!!! Of course we had already proved our "pigout prowess" by downing 300 pieces of pizza in thirty-five minutes the Friday before! Bob Silberling coordinated this delicious event with the help of committee members. (People who want to attend dieter's anonymous can meet first thing Monday morning in the non-smoking break room.)

The last part of the trivia contest took place on Thursday, with the questions focusing on customer service supplied by Connie Clarke. Marlene and Hank sequestered themselves, calculating the final results. Results were given to our presi-

(Continued on page 8)

PLEASE RETURN

Jim Grigsby is ICCW Alternate

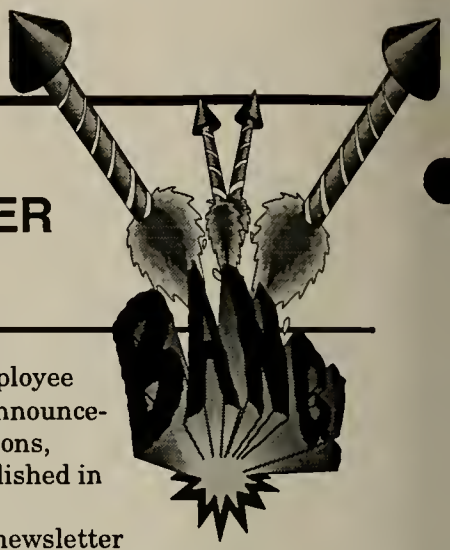
The Interdepartmental Committee for Women (ICCW) is happy to recognize Jim Grigsby as the new alternate for the State Fund. Jim takes Char Stipes' position with ICCW. Jim will be assisting Shauna Foley in ICCW activities and promotions.

The Training Committee for ICCW is in the process of organizing the Brown Bag training series. These training sessions are free and very informative. The committee would like suggestions from employees, as well as supervisors, for topics that should be presented in these Brown Bag sessions. If you have an idea on class topics, present them to Shauna and she will make sure your ideas are reviewed.

ICCW has also purchased several books as training references that are available at the State Library. These references are available to any interested party and are recommended reading for self-improvement. Book titles are posted around the building or ask your representatives for the list of book titles.

Have an EXPLOSIVE 4th of July!!!

NEXT NEWSLETTER DEADLINE



Any State Fund employee can submit articles, announcements, ideas, suggestions, quotes, etc., to be published in the Guardian!

The next employee newsletter will be published in August. The deadline for articles is August 10. Submit your articles to Jodi Neary.

"The brain is a wonderful organ; it starts working the moment you get up in the morning and doesn't stop until you get to the office."

Robert Frost

STATE FUND MONTANA

MONTANA GUARDIAN

The State Fund **"Montana Guardian"** is an official employee newsletter published bimonthly by the State Compensation Insurance Fund to educate and to inform State Fund employees on all aspects of the workers' compensation industry.

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Letters to the Editor of the Montana Guardian will be accepted from current State Fund employees. Letter to the Editor are to be submitted to the Editor by the article deadline date and must include the employee's name, section and department name, and office phone number. Letters deemed inappropriate to the goals and objectives of the Montana Guardian of State Fund will be returned to the author with an explanation why it was rejected. Letters to the Editor do not reflect the policy of official positions of either the Board of Directors or the management of State Fund.
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Message from the President...Carl Swanson

STATE FUND MOMENTUM IS BUILDING!!!

We are seeing a continued reduction in our deficit and expect to begin building surplus in FY95. With the State Fund's first Strategic Business Planning Process completed by a team of 24 employees, we are on the way to launching a new customer-focused and results-oriented era. Our vision for the future has been incorporated into a State Fund Mission Statement. The FY95 Budget will be presented to the Board in June, along with our Strategic Plan. Our muscle building program continues with a final decision on our Career Development/Compensation System Consultant. The First Reporting Unit is making its move to reduce accident reporting time and enhance Managed Care Organization (MCO) performance. Progress on MCO formation is going well due to the strong leadership of Paul Bogumill. Customer Service Week ended on a successful note with a visit from Governor Marc Racicot and Chairman of the Board, Rick Hill.

HEADS UP -- IMPROVING RESULTS!

For fiscal year ending June 30, 1994, we expect to report the reduction of the New Fund deficit from $26 million to approximately $2 million. An approximate $24 million positive result of operations is primarily due to past rate actions and legislative reforms. We want to grow a surplus now in order to stabilize rates for our customers and achieve financial stability. This positive result of operations is just the beginning as we launch a number of incentives based on our Strategic Business Plan.

In addition, we estimate reducing the Old Fund deficit by an estimated $35 million by the end of this fiscal year. Our Claims Examiners have also closed over 800 Old Fund claims during the year.

STRATEGIC BUSINESS PLAN

During May, a team of 24 key staff members from all areas of our organization met to participate in the first strategic planning process for the State Fund. This plan will be the foundation from which we launch a new era for the State Fund. The team defined the critical issues facing us and from this point focused in on long range, interim, and short range plans and goals. A key objective of the process was to produce a results oriented, ambitious yet achievable plan which incorporates accountability and measurability. This plan will be reviewed with our Board of Directors on June 23 and with you at our All Employees Meeting on July 7. During the following week, meetings are planned with Newspaper Editors in key cities to present and discuss our business strategies with them. I am extremely proud of the Strategic Plan your team developed and look forward to reviewing this with you on the 7th. "Hats Off" to Judy Simpson for the outstanding job she did as our 1994 Strategic Plan Facilitator!

Our team began the strategic planning process with discussions centered on taking our "vision" and refining this into a "Mission Statement," which will be the basis of our future business planning and decision making. This sums up our "charge" and what we are about. It draws on a commitment to all employees to help make this mission a reality.

MISSION STATEMENT

"The State Fund will provide to all employers an available market for workers' compensation and occupational disease coverage. Inherent in this is the responsibility for achievement of extraordinary service to our customers and superior execution in everything we do. Service will be provided at the lowest possible cost while paying the statutorily established benefits. We will achieve financial solvency and stability for our stakeholders and develop a partnership in a true spirit of cooperation. Success depends upon a customer-focused, team-oriented, high performance culture that is rewarding and challenging for our employees. We will become an industry leader in developing and leveraging our organization's services and functions."

FISCAL YEAR 95 BUDGETING PROCESS

Our budget will be presented to our Board of Directors along with the Strategic Plan on June 23 and 24. This budget interfaces with our Strategic Plan and, with Board approval, will be a key step in strengthening our organization and building toward accomplishment of our mission. I will report to you further on this July 7.

CAREER DEVELOPMENT/ PAY SYSTEM UPDATE

Towers Perrin has just been awarded the contract to work with us in developing a competency-based career development and pay-for-performance system. Towers Perrin is an international firm providing consulting services to many of the 100 largest companies in the insurance industry, as well as smaller organizations in

(Continued on page 4)

both the private and public sectors. Under the contract, they will work with us in building upon the work already completed in our Strategic Business Plan, which defines what we need to do to win. Having already completed our business planning process, we can now begin to define the competencies, skills, knowledge, and behavior that are necessary to achieve our plan. I know you share in my excitement as we finally begin the process that you have all waited for so long. Employee Focus Groups will be formed to participate in informational sessions and in the development of our human resources career development system. More on this subject will come later.

FIRST REPORTING UNIT MAKES ITS MOVE

The First Reporting Unit's 800 toll free number is up and running on a pilot basis with a number of businesses now. In order to reduce accident reporting time and to allow our claims examiners to make prompt contact with the injured worker, our customers are being encouraged to telephone in first reports of injury for us to complete for them. Our goal over the next twelve months is to have 50% of injuries reported by telephone (last quarter FY95) and to reduce accident reporting time from the current 27 days average to less than 20 days average. Successful implementation of Managed Care is very dependent on us educating our customers on the necessity of early reporting of injuries.

MANAGED CARE ORGANIZATION ON A ROLL

The formation of MCOs is progressing well, and at least five are well on their way to completing the certification process with the Department of Labor. Other MCOs are forming, and Paul Bogumill has demonstrated strong leadership throughout the State in facilitating communications/meetings with prospective MCOs. I am sure many of you have noticed the physicians and hospital administrator group meetings that have been conducted here at the State Fund. We are now entering Phase 2, contract development and initial patient referral to the MCO. We have established an internal steering committee to prepare for the utilization of MCOs. There are still some openings, so if you are interested in serving on this committee, have your supervisor contact Paul Bogumill or John Thomas.

CUSTOMER SERVICE WEEK A SUCCESS!

Needless to say, the committee did an outstanding job in planning team building activities around our customer service training. All employees in the State Fund received a three-hour training program conducted by Connie Clarke. We now have a common understanding of service expectations, customer needs, and the importance of serving them. Our week was highlighted by a visit from our Governor, Marc Racicot, and State Fund Chairman, Rick Hill, who addressed State Fund employees. Jeff Holm was recognized as "Employee of the Month" for the tremendous job he did with our Premium In Advance Project. Nance Hughes, John Thomas, and Marv Kraft were also honored for their caring attitude, quick responsiveness, and follow-through on a customer service issue. Teri Eaton and Laurie Weidlich did a fantastic job promoting the week with their great artwork. Thanks to all involved in making customer service week both successful and fun. We are a better organization as a result!

LOSS CONTROL

The Loss Prevention Division has accepted the challenge to provide our customers with an ever greater "hands-on," comprehensive package of loss prevention services. We are meeting this challenge with aggressive, innovative, and results-oriented programs to meet our customers needs.

Loss Prevention takes the lead in impacting customer perception of State Fund service. First, all of our customers have been notified of the requirements of the Safety Culture Act. Second, staffing requirements are being met to provide superior customer service. Third, we have begun the process of selecting "targeted" employers wherein we provide "focused," on-site consultative services directed to reduce accident frequency and lost time workdays. We expect substantial cost savings as a result of reduction in overall workplace accidents. Lastly, our Employer Education Workshop series is being implemented and will be up and running July 1, 1994. This will provide the opportunity to reach selected industries, plus a larger segment of our customer base.

CONCLUSION

The momentum is building! Our muscle building program continues and is on schedule in transforming our organization into a customer-focused, team-oriented, high performance culture that is rewarding and challenging for our employees.

Congratulations to Jeff Holm, recipient of the Employee of the Month Award. Also, to the Customer Service Week Committee. Thanks for making a difference! And, my appreciation to all of you for your hard work and commitment in building greatness in our business.

Benefits Information System (formerly ABIS)

A lot has been happening in the development of the new claims system. A name change occurred in early May in order to make the project easier to explain. The new name is BIS (pronounced 'biz', as in business). The Benefits Information System will be vital to the State Fund's 'biz'ness.

As a result of Business Planning and changes within the State Fund, a number of change orders have been initiated. Change orders allow us to change the way the proposed system will look and operate. Some of the change orders include incorporation of the new First Reporting Unit and the inclusion of the 'intelligent' reserving system called MIRA. After the IBM team investigates and estimates costs, the State Fund will either accept or reject the changes as a part of the BIS project.

In other news, the prototype screens are being reviewed by various user groups. To date, over 50 screens have been created; some of these screens include new claims, reserving, payments, and settlements. All have "windows" functionality, meaning they use pull-down menus, drop boxes, close and cancel buttons, etc. It all looks really slick.

When we get a little closer to the final product, we'll have an Open House for additional input. We hope to have the External Design completed in the next month or so.

PERSONNEL ACTIONS

From March 29, 1994 to June 13, 1994

NEW HIRES

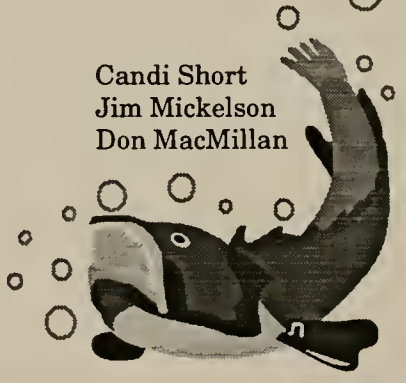
Rita Bird, Receptionist II
Lorna Smith, Receptionist II
Mary Estefan, Admin. Aide I
Deanna Albert, Admin. Clerk II
Bill Hanson, Claims Examiner I
Denise Baird, Data Entry Operator II
Sandy Poor, First Reporting Technician
Marlena Montaine, Data Entry Operator II
Tammy Jacoby, Admin. Clerk II/Receptionist II
Joanne VanderZand, Medical Benefits Tech Coor.

PROMOTIONS / TRANSFERS

Ann Komac, Claims Manager I
Daisy Carsen, Accounting Clerk III
Holly Wood, First Reporting Technician
Wendy Blood, First Reporting Technician

LEFT

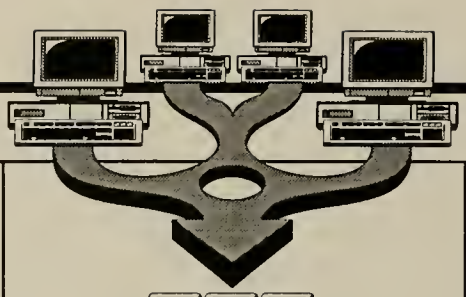
Char Stipe
Chad Harvey
Patty Lesofski
Candi Short
Jim Mickelson
Don MacMillan



From a survey conducted by the Intern'l Facility Management Association, here are six of the most unusual office complaints:

1. **A cow is walking through the lobby.**
2. **Flagpoles are too skinny.**
3. **Rest rooms lack shelves for reading materials.**
4. **Squirrels on the ledge are freezing.**
5. **The desk is moving across the floor by itself.**
6. **Cats are trapped in the ceiling.**

Sales & Marketing Management



LAN UPDATE

We have moved! In case you have not noticed, the MIS Department have all moved to the same side of the basement (we have always been on the same team!) — we are now all on the south side of the hall. Systems Administration is in the front (where the programmers used to be), and the programmers are in the newly remodeled part in the back. Come see us!

Since last newsletter we have installed a new legal docketing system (ABACUS) and added new legal research software (WESTLAW). We are also in the process of making the Montana Reports on CD-ROM available to Legal and Benefits staff (in addition to the MCA already available on CD-ROM). These implementations will allow lawyers and examiners quicker access to updated case and law information, as well as allowing for improved and more controlled scheduling in the Legal Department.

We are in the process of expanding and opening up our ability to communicate with the outside electronic information world by establishing better and faster communications with the rest of the state. Some of these communications include the State of Montana Bulletin Board System, a streamlined dial-in system, broader use of the Zip!Mail system, a faster communications line, and communications links with the IBM BIS team.

We have upgraded all of our mainframe users to a new version of Extra! (mainframe connection software) and have received many good comments, as this version allows users to customize screens and colors to their needs.

We will have a treat in store for WordPerfect users starting in June/July as we plan on upgrading to a newer and more functional version of the software. We also hope that this will make our jobs easier as the current version of the software has proved to be an administrative nightmare. We are currently testing, planning, and converting macros and will provide a training schedule as we get closer to implementation.

COMPUTE ON !

CLOSED CLAIM STUDY AHEAD OF SCHEDULE

In February of this year, the Board approved funding to begin a joint effort with the Department of Labor to collect data for a study of closed workers' compensation claims.

Tillinghast, the firm with which the State Fund contracts for actuarial services, will be conducting the analysis of the data.

A public meeting was held on April 22 which was attended by representatives from private insurers, self insureds, the State Fund, the Department of Labor, and Tillinghast to obtain input as to what parameters should encompass the closed claim study.

Closed claim studies have been successful in a number of states in providing data of significant value for planning and managing workers' compensation. The collected data will establish an information base line that will be used to study claims cost drivers; to compare cost drivers over time, between states, and among plans; and to evaluate the effectiveness of past legislation.

Three former employees (Jack Harrison, Lori Swenson, and Gwen Bernard), two additional temporaries (Jerry Winkler and Ted Scherf), and six field investigators (John McMahon, Ray Eby, Steve Miser, Vicki Hirschi, Linda Johnson, and Tim Tindall) began collecting 153 data points per file on May 16th.

As of June 3, three weeks after initiation of the closed claim study, more than 200 hours were utilized to review and data enter approximately 225 claims. It was predicted by Tillinghast prior to inception of the project that it would take about two hours per file for data collection.

It is currently taking our top-notch people 73 minutes per file. At this rate, approximately 16 files per day, we will finish the data collection around July 18, or 11 days ahead of schedule!

Customer Service Week

PIE Awards

Lance Zanto, Claims Examiner II
Shari Huth, Claims Examiner I
Kevin Bartsch, Claims Examiner II
Trish Charlton, Claims Assistant I
Pat Hunt, Claims Examiner I
Carol Dullum, Claims Assistant III
Gail Martin, Claims Assistant III
Lucinda Dixon, Claims Examiner II
Carrie Burke, Word Processor Operator II
Lou Thompson, Rehabilitation Coordinator

Given by Carol Morris for patience, support, hard work "above and beyond" and good humored teamwork--strained by never broken.

Customer Service Week (Continued)

dent for formal announcement on Friday.

The week's second casual day came Friday, the last day of our Customer Service Week. The ice cream social was held mid-afternoon. Carl Swanson and Rick Hill joined the ranks in the first floor lobby reception area. The biggest highlight, however, was that Governor Marc Racicot joined us in support of our Customer Service Week! Hope you noticed that the State Fund president, board chair, and governor of the state were in jeans!

All three men shared closing comments, emphasizing the importance of customer service to all Montanans.

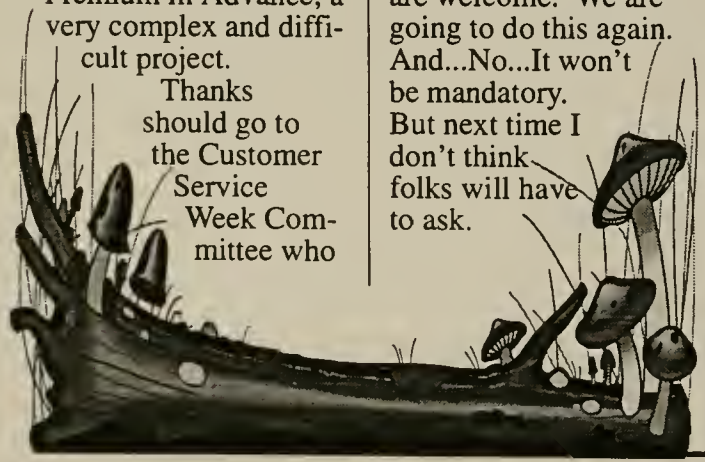
Governor Marc Racicot presented Jeff Holm, Programming and System Analysis Director, with the "Employee of the Month" award for May 1994. In addition to managing his department, Jeff worked many long hours and weekends on Premium in Advance, a very complex and difficult project.

Thanks should go to the Customer Service Week Committee who put a lot of effort into the planning (especially trying to figure out how to fund the week's activities on a shoestring). They deserve a pat on the back for creative budgeting!

Special thanks also go to Carl Swanson who made the whole week possible.

Committee members include Debbie Svaldi, adviser; Charlotte Payne, Chairperson; Lanny Hubbard, Master of Ceremonies; Hank Worsech, Marlene Catulli, Denise Molley, Barb King, Trivia Masters and Guardians; Bob Silberling, funding; Rae Jerrel, Terri Eaton, Laurie Weidlich, banners, posters, and information; and Wanda Person, Pigout. Additional helpers included Chantal Van Daele, Laurie Lee, Jim Grigsby, Blaine Gilbert, Crystal Murphy, Myrna Hammond, Shauna Foley, Pam Brown, Suzie Shute, and Sandy Poore.

Suggestions and comments from all of you are welcome. We are going to do this again. And...No...It won't be mandatory. But next time I don't think folks will have to ask.



JEFF HOLM IS MAY EMPLOYEE OF THE MONTH

On June 10, 1994, Governor Marc Racicot presented a plague and certificate to Jeff Holm, Programming/ System Analysis Director, for his outstanding accomplishment and dedication while working on the Premium in Advance programming project. Jeff worked days and nights to assure that the project would come up on time...and it did. Congratulations, Jeff!

Everyone in the building now has E-Mail. Take advantage of this easy and fun way to communicate with one another. It will save time and paper.